



Office of the City Manager

MEMORANDUM

Date: September 3, 2009
To: Mayor and City Council
Through: Donna Dreska, City Manager
From: Sue Schlerf, Assistant City Manager
Subject: Maureen McKissick, Grant and Fund Development Manager
Updates re the Recovery Zone Facility and Economic Development Bonds available through the American Recovery and Reinvestment Act (ARRA)

Since the posting of the staff report for Item J.2 on the September 9 City Council agenda, staff has received additional inquiries regarding access to the City's bond authorization for both Recovery Zone Facility bonds (RZF) and Recovery Zone Economic Development bonds (RZED). The City has authorization to issue up to \$65,604,000 in RZF bonds and up to \$43,736,000 in RZED bonds. RZF bonds may be used by units of governments, non-profits and private developers, whereas RZED bonds may only be used by units of government and quasi-governmental entities.

At the time of posting, the City was in receipt of three requests for access to RZF bonds (SK Baseball, Tessera, and Evans Ranch) and two requests for access to RZED bonds (WCSD and UNR.) Since then, staff has received a request from the RTC for access to any unused RZED authorization. I am attaching a letter that was received on September 2 from Derek Morse, the Acting Director of RTC.

Staff has also received inquiries from RSCVA and M&H Development (Park Lane Mall site) for access to RZED and RZF bonds, respectively. After analyzing their capacities to repay the bonds and the requirements of the ARRA (e.g. "Buy American," Davis-Bacon prevailing wage rates), both organizations declined to submit a formal request.

Staff is in early discussions with other private developers. If staff receives additional requests for access to RZF or RZED bonds after this memo is distributed, that information will be presented to Council during the discussion for Item J.2.

